ALBERTA LIQUOR CONTROL BOARD

66th Annual Report

For the fiscal year ended January 2, 1990

ALBERTA LIQUOR CONTROL BOARD

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Alberta
SOLICITOR GENERAL

Office of the Solicitor General

319 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2468

The Honourable Dr. D. Carter
Office of the Speaker
Legislative Assembly of Alberta

Sir:

I have the honour to submit the Annual Report of the Alberta Liquor Control Board for the fiscal year ended January 2, 1990.

Respectfully submitted,

R.S. (DICK) FOWLER, Q.C.
Solicitor General

90-06393/i

ALBERTA LIQUOR CONTROL BOARD

50 Corriveau Avenue, St. Albert, Alberta, Canada T8N 3T5 Telephone 403/458-4311

Office of the Chairman
and Chief Executive Officer

Honourable R.S. Fowler, Q.C.
Solicitor General
319 Legislature Building
EDMONTON, Alberta
T5K 2B6

Sir:

I have the honour to submit herewith the Sixty-Sixth Report of the Alberta Liquor Control Board for the fiscal year ending January 2, 1990, pursuant to Section 24 of the Liquor Control Act.

Respectfully submitted,

Bob King
Acting Chairman and
Chief Executive Officer

Telex Edmonton: 037-2716 Facsimile (403) 458-4034 Cable Address: Permit St. Albert

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Organization Profile

The Alberta Liquor Control Board is an agent of the Crown whose mission is to provide people in Alberta with liquor and liquor related services in a manner responsive to public demand, sensitive to current social values and within the economic and social policy framework of the Government of Alberta.

In achieving its mission, the Board will:
- ensure product quality, selection and availability of liquor;
- provide technical support to the liquor manufacturing and hospitality industries in the Province;
- regulate and control the manufacture, importation, keeping and conveyance of liquor in Alberta;
- administer the Liquor Control Act and Regulations; and
- generate revenues for the citizens of Alberta.

The Board falls under the jurisdiction of the Solicitor General of Alberta and consists of the Chairman and Chief Executive Officer, Deputy Chairman and Board Member. The ALCB is structured into nine departments that perform the operational and administrative duties required to deliver the established mission.

At the close of the 1989 fiscal year the ALCB operated 214 liquor stores and 13 retail beer outlets. In addition 13 wine boutiques were operated by private individuals, 4 retail stores were operated by wine manufacturers and 10 cold beer outlets were operated by licensees.

Over 5,000 licenses were issued by the ALCB for the sale of spirits, wine and beer. During 1989, 16 manufacturers held licenses to make alcoholic beverages in the Province. These include 4 distillers, 4 vintners and 8 brewers.

The ALCB offers Albertans one of the most varied and extensive product selections in North America - nearly 3,200 product lines from 42 countries around the world.

Net income from the Board is remitted to the Province's General Revenue Fund.

Chairman's Message

Fiscal 1989 was another year of challenge and innovation in the ALCB's history. Volumes of beverage alcohol sales continued a declining trend in the face of changing consumer preferences and social attitudes. These trends have continued to challenge the ALCB to be an efficient organization with a strong commitment to the Province's social responsibilities.

The focus for 1989 of customer service is particularly appropriate as it reflects an emphasis on an orientation the ALCB has always adopted. The ALCB's performance in 1989 and its success in achieving revenue targets in the face of declining industry trends reflects greater sensitivity to our customers. Highlights of initiatives taken and discussed in this Annual Report demonstrate this commitment.

The ALCB continued to work with and assist the Alberta Hotel Association and the Alberta Restaurant & Foodservices Association to improve the hospitality industry in the Province. Our thanks and appreciation go to both these associations for their cooperation and assistance.

The Board also wishes to express sincere appreciation to the officers and staff of the RCMP and to the city and municipal police throughout the Province for their efficient cooperation in enforcing the provisions of the Liquor Control Act.

A key to the successful operations of the ALCB are the employees, without whose dedication and efforts the Board's mandate could not be successfully delivered.

The ALCB is looking forward to the 1990s with enthusiasm. It will be a decade of expanding on projects and systems put in place in the eighties to provide our customers with the best product selection and service available in Canada. It will also be a decade of rationalizing product selection and distribution channels to ensure customer service is met at the least cost to the stakeholders of this Province.

Sincerely,

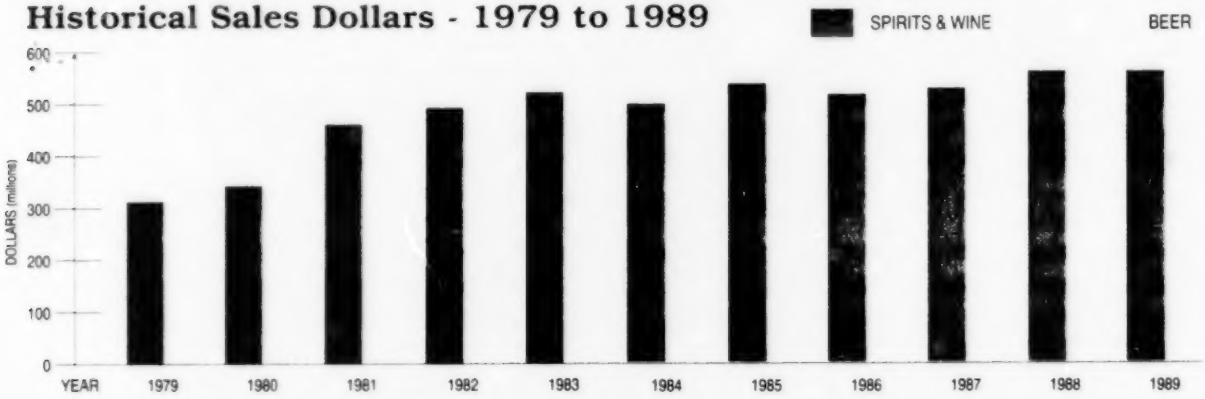
Bob King
Acting Chairman and Chief Executive Officer

Financial Highlights - 1979 to 1989

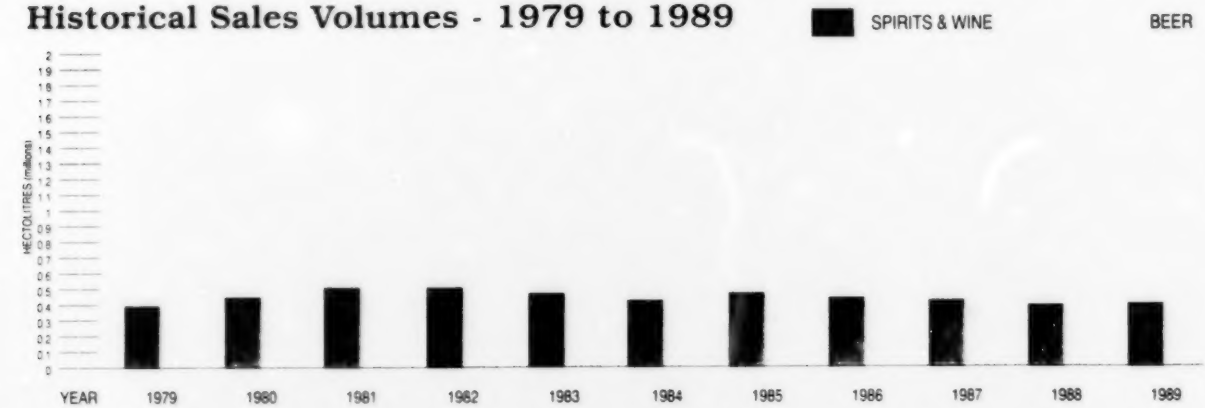
Dollars in millions; Volume in thousands of hectolitres

YEAR	SALES SPIRITS & WINE	SALES BEER	REMIT TO TREASURY	NET INCOME	SALES TO LICENSEES	VOLUME SPIRITS & WINE	VOLUME BEER	NUMBER OF STORES	NUMBER OF EMPLOYEES
1989	554.1	448.5	379.0	383.0	305.5	389.6	1728.3	227	1,309
1988	550.6	435.3	365.0	387.2	290.9	405.5	1730.2	226	1,257
1987	533.6	408.5	366.5	359.8	274.2	417.1	1720.8	228	1,225
1986	526.4	382.5	312.0	321.4	228.3	438.7	1750.2	230	1,299
1985	540.9	353.0	323.0	320.7	251.2	478.1	1735.1	225	1,325
1984	513.7	343.4	299.5	302.4	234.2	452.0	1762.8	219	1,377
1983	524.7	337.2	289.0	296.2	227.3	471.6	1789.2	215	1,462
1982	512.2	308.7	233.1	279.5	210.3	508.8	1812.9	206	1,452
1981	468.4	263.9	183.1	236.9	191.8	510.8	1839.5	201	1,430
1980	350.2	167.5	170.5	174.1	142.2	437.8	1672.4	194	1,337
1979	308.5	145.8	151.6	158.8	124.6	407.6	1488.3	192	1,324

Historical Sales Dollars - 1979 to 1989



Historical Sales Volumes - 1979 to 1989



Focus for 1989 - Customer Service

Fiscal 1989 was a notable year in customer service accomplishments for the Alberta Liquor Control Board. Four new Customer Service positions were created and staffed. Three of these positions are Customer Service Managers, one of whom is located in each of our expanded specialty, full-service stores. These Managers are in place to offer comprehensive product knowledge and merchandising training to staff, and to provide improved customer service in the expanded specialty section. The fourth position; Customer Service Administrator, was established to develop, implement, evaluate, and maintain our customer service initiatives.

During 1989, all liquor store staff were exposed to the ALCB's dedicated ideals in customer service. Practical application by staff of these ideals has proven to be a success, as evidenced by customer response on the "Tell Us What You Think" contact cards. These cards, available in all stores, have enabled the ALCB to establish written contact with hundreds of customers. Most inquiries have sought an explanation of services the customer was not aware of. As well, testimonials have been received commending our staff's extensive knowledge in product selection and special services.

Further training initiatives commenced in 1989. A major development began with the mandatory requirement that all liquor store employees complete the Basic Wine Course. This initiative will raise the ratio of store employees with formalized product knowledge to over 90% by the end of 1990.

In response to customer demand, several new customer services were introduced, and several current services were reinforced. The following six new programs were implemented.

1. Wine chillers in stores — customers can chill their wine purchase within minutes. Fifteen chillers were installed in 1989, and an additional 15 will be installed in 1990.

2. Gift certificates in denominations of $10.00 and $25.00 — for the customers' convenience.

3. Managers' Selection — a program of mixed case discounting designed to provide an opportunity for customers to taste a wide variety of wines.

4. Visa/Mastercard payment pilot project — to provide additional convenience to customers in specialty stores and National Park locations.

5. Cold Beer Vendors — a limited number of hotel licensees with a beverage room license were licensed to develop a free-standing facility to sell cold beer to the public. At the end of the year 10 cold beer outlets were in operation.

6. Wine and Food Workshops pilot project — wine and food courses were offered to the public.

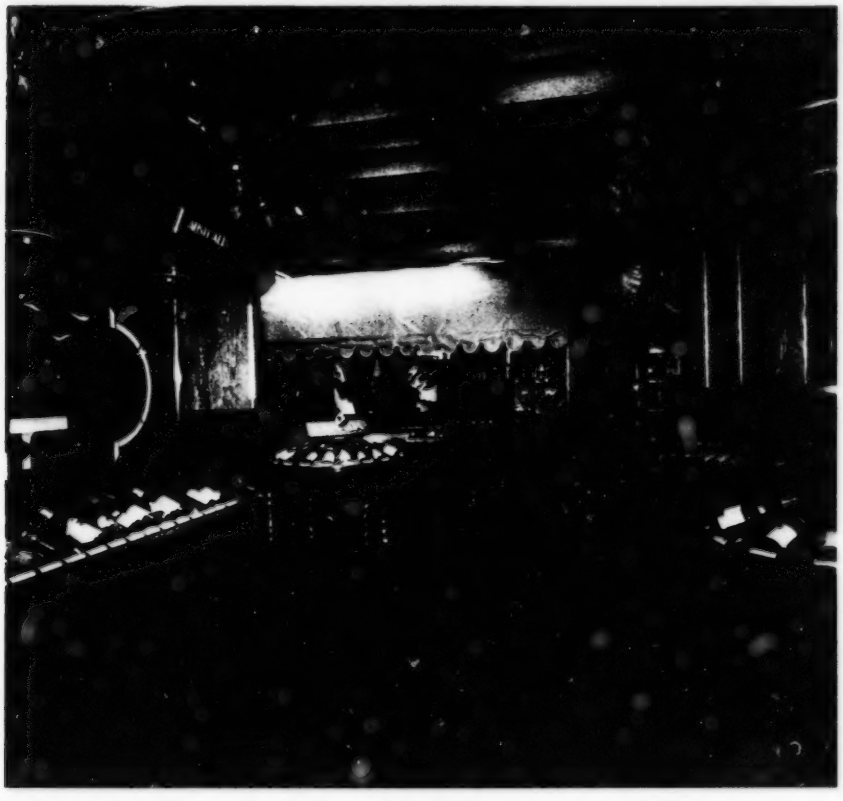
Other programs started in the previous year went into full implementation.

1. The In-store Industry Tasting Program, which provides customers with exposure to new and unique products continued throughout 1989.

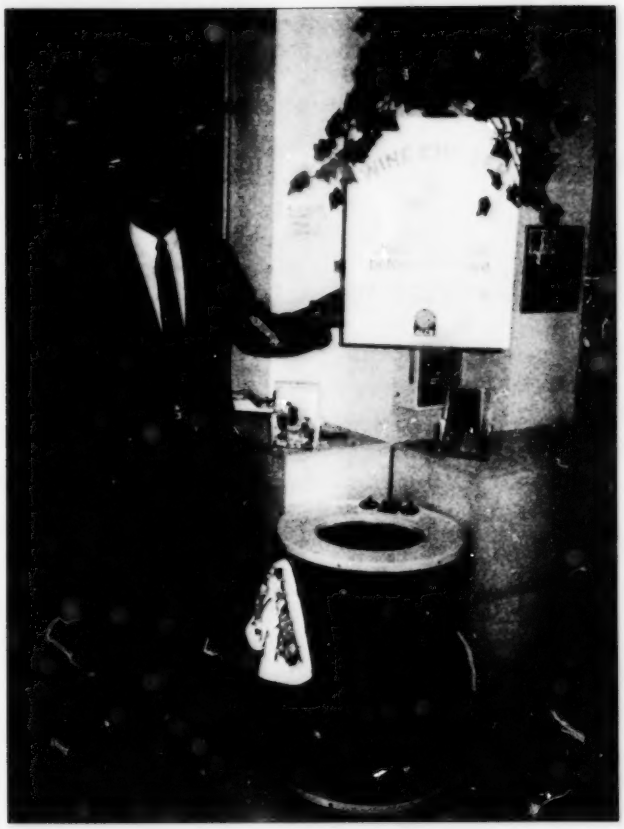
2. The Industry Display Program was evident in all stores, and, for the first time, included contests, on-package gift offers, company-sponsored rebates and a tremendous increase in professionally-produced point-of-purchase advertising materials. These displays and promotions make our stores colorful and interesting places to shop.

Fiscal 1989 saw the development of several new stores designed with merchandising in mind: Calgary Chinook, Edmonton Heritage, and Edmonton Garneau. Our commitment to customer service has resulted in new stores, new colors, new convenience and a new look into the 1990s world of retailing.

It is evident progress has been made, and is continuing full stride into the new decade. The ALCB's commitment to customer service will be further enhanced by our staff and readily appreciated by our customers.



Expanded Specialty Store - 106 Street, Edmonton



Edmonton Garneau Manager, Ed Czaja with Wine Chiller

New Specialty Store Layout at Edmonton Centre.

Review of Current Operations

The Alberta Liquor Control Board completed another successful year of operations in 1989.

Along with special emphasis on Customer Service, the Board initiated other programs, policies and systems which will have a positive affect on our customers and suppliers in the long term.

Included were a number of new and upgraded computer systems introduced in the St. Albert Warehouse. The systems provide more comprehensive information which results in better utilization of warehouse space, tighter control of inventory, better control of product rotation and improved use of manpower.

Major renovations took place at 15 leased or owned stores. One new liquor store, Edmonton Heritage and 4 replacement stores, Calgary Crowfoot, Calgary Chinook, Airdrie and Fort Vermilion were constructed in the year as well.

Late in 1989 the Board began implementation of a risk management program. Risk management identifies risks the ALCB may face regarding loss of assets, legal liability and contractual liability. Once these areas have been identified, programs will be established to minimize the potential for loss.

Financially, sales revenue exceeded $1 billion for the first time. This represents an increase of $16.6 million over 1988. While total revenues increased as a result of increases in supplier prices, foreign exchange and freight rates, consumption patterns continued their downward trend with volumes declining in all product categories. Volumes were down in total by 17 thousand hectolitres or 0.8%.

Operating expenses for fiscal 1989 amounted to $82.7 million or approximately 8.2% of sales, an increase of 0.3% of sales from fiscal 1988.

Net Income dropped by $4.2 million to $383 million, largely due to the elimination of the 7% surcharge to licensees which generated $6.5 million of revenue in 1988.

Reduction in planned capital expenditures during 1989 allowed the ALCB to increase remittances to the Provincial Treasurer by $14 million over 1988 to a total of $379 million.

Staff Distribution

as at December 23, 1989

	Permanent		Temporary		Tot	
	1989	1988	**1989**	1988	**1989**	1988
Administrative Offices:						
Chairman & Board Members	**2**	2			**2**	2
Executive Assistant	**1**	1			**1**	1
Administrative Officer	**3**	2			**3**	2
Secretaries & Clerical	**3**	4			**3**	4
Departments:						
Finance	**61**	58	**2**	3	**63**	61
Internal Audit	**19**	19			**19**	19
Legal	**4**	4			**4**	4
Stores & Warehousing						
Stores - Head Office	**32**	38	**1**		**33**	38
Stores	**683**	653	**3**		**686**	653
Warehouses	**110**	113	**1**		**111**	113
Properties & General Services						
Properties	**69**	68	**4**	2	**73**	70
General Services	**32**	30	**1**	4	**33**	34
Information Systems	**72**	75	**4**	4	**76**	79
Human Resources	**25**	22			**25**	22
Stocks	**59**	51	**4**	4	**63**	55
Licensing & Permits	**79**	78			**79**	78
Long Term Disability	**35**	22			**35**	22
Totals	**1,289**	1,240	**20**	17	**1,309**	1,257

Hours worked by part-time and casual staff	**1989**	**1,183,192**	1988	873,905

Financial Overview

Sales Statistics - 1989

TEN LARGEST STORES	*Sales $*
1. Calgary-Willow Park	20,971,696
2. Calgary-Sunridge	14,533,207
3. Edmonton-Northgate	13,912,472
4. Edmonton-Southgate	13,799,114
5. Calgary-Westbrook	13,790,499
6. Red Deer-South	13,003,612
7. Calgary-TransCanada Mall	12,274,193
8. Calgary-Centre Street	12,269,103
9. Edmonton-Capilano	12,178,499
10. Grande Prairie	12,102,982

TEN SMALLEST STORES	*Sales $*
Wembley	352,141
Acme	335,666
Waterton Park	335,060
Myrnam	279,961
Empress	252,335
Standard	239,666
Carbon	188,343
Derwent	163,871
Suffield	144,020
Big Valley	131,135

SALES	
Public	$ 686,670,544
Licensees	306,532,989
Others	9,374,714
	$1,002,578,247

COLD BEER VENDORS	
Number of Vendors	10
Sales to Vendors	$9,315,697

SALES TO OTHER LIQUOR BOARDS	
British Columbia	$ 9,178
Saskatchewan	35,299
Manitoba	16,679
North West Territories	431,951
Yukon	61,743
	$554,850

WINE BOUTIQUES	
Number of Boutiques	13
Sales to Boutiques	$8,184,697

GIFT CERTIFICATES	
Number Issued	917
Dollar Value Issued	$15,675
Redeemed Value	$ 8,730

Schedule of Sales by Stores for the year ended January 2, 1990

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1989**	Total Sales 1988
Acme	$ 193,140	$ 28,394	$ 15,455	$ 98,677	**$ 335,666**	$ 311,956
Airdrie	1,734,637	384,494	250,380	933,980	**3,303,491**	3,025,460
Alix	340,815	28,375	23,313	140,933	**533,437**	555,562
Andrew	255,906	24,321	6,227	91,283	**377,737**	381,673
Athabasca	1,523,432	242,320	64,459	796,100	**2,626,311**	2,527,153
Banff	3,278,454	2,146,948	411,760	1,782,311	**7,619,472**	7,614,802
Barrhead	1,736,904	297,840	206,472	683,523	**2,924,740**	2,858,753
Bashaw	388,259	45,127	48,486	150,744	**632,616**	664,396
Bassano	432,526	54,548	53,868	166,856	**707,798**	704,359
Beaumont	847,448	228,868	95,468	524,106	**1,695,890**	1,677,899
Beaverlodge	442,186	73,702	19,764	264,694	**800,346**	865,862
Beiseker	288,298	34,393	21,895	155,585	**500,171**	488,769
Bentley	289,913	45,513	32,457	132,541	**500,423**	488,438
Big Valley	79,075	6,419	7,633	38,008	**131,135**	130,121
Blairmore	1,018,998	176,759	72,971	489,147	**1,757,875**	1,738,308
Bonnyville	1,925,193	329,474	75,488	1,197,373	**3,527,528**	3,857,574
Bow Island	428,239	46,482	75,640	143,559	**693,920**	694,422
Bowden	221,845	33,099	33,177	111,325	**399,447**	390,509
Boyle	630,216	81,068	27,764	310,386	**1,049,434**	1,040,527
Breton	297,786	42,693	18,324	151,413	**510,216**	512,441
Brooks	2,688,217	460,773	462,873	1,050,485	**4,662,348**	4,597,052
Bruderheim	230,003	32,180	13,710	130,773	**406,665**	413,628
Calgary						
Altadore	2,000,076	816,045	264,189	1,526,455	**4,606,765**	4,703,044
Braeside	4,495,974	1,789,317	466,340	2,596,191	**9,347,822**	9,072,497
Brentwood	5,209,516	2,492,725	491,420	3,093,108	**11,286,769**	12,480,314
Central	1,606,906	773,834	157,638	928,879	**3,467,256**	3,478,239
Centre Street North	5,501,486	1,835,305	677,583	4,254,729	**12,269,103**	12,707,793
Chinook (opened 12/89)	971,530	279,261	63,232	399,921	**1,713,944**	-
Crowfoot (opened 03/89)	2,258,709	1,264,199	233,578	1,429,792	**5,186,278**	-
Deer Run	2,191,388	997,612	293,018	1,386,525	**4,868,544**	4,908,877
Fisher Park (closed 11/89)	1,872,389	572,120	253,389	1,187,395	**3,885,293**	5,080,486
Forest Lawn	5,393,688	1,076,725	527,109	4,059,108	**11,056,630**	8,976,116
Hunterhorn Plaza	5,427,774	1,812,440	687,970	3,820,106	**11,748,289**	11,718,673
Inglewood	1,286,838	310,583	158,941	808,937	**2,565,299**	2,939,197
Len Werry	1,700,828	551,786	84,959	600,164	**2,937,736**	3,039,882
Macleod Trail (closed 12/88)	-	-	-	-	**-**	667,530
Market Mall	2,729,840	1,665,747	234,190	1,443,967	**6,073,743**	6,485,170
Midnapore	1,895,698	905,861	285,001	1,295,793	**4,382,353**	4,028,645
Mission Bridge	1,531,447	746,852	159,105	993,490	**3,430,894**	3,517,896

Schedule of Sales by Stores for the year ended January 2, 1990

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1989**	Total Sales 1988
Montgomery	2,238,890	698,520	291,374	1,898,126	**5,126,911**	5,279,816
Mount Royal	3,603,940	1,960,645	470,151	3,165,098	**9,199,835**	7,364,503
North Hill	2,789,346	1,309,886	316,103	1,808,655	**6,223,990**	6,309,784
Ogden	2,100,958	465,430	330,681	1,721,063	**4,618,131**	4,468,083
Palliser	3,779,595	1,445,810	398,155	2,701,168	**8,324,729**	9,591,515
Sarcee	2,479,480	972,554	297,037	1,673,294	**5,422,365**	5,366,255
Silver Springs (closed 03/89)	227,345	126,054	24,300	122,521	**500,220**	3,454,721
Sunridge	6,793,532	2,733,741	720,548	4,285,386	**14,533,207**	14,021,991
Trans Canada Mall	5,903,590	1,318,952	677,232	4,374,419	**12,274,193**	13,319,997
West	478,126	222,984	42,503	231,448	**975,061**	1,061,611
Westbrook	6,061,338	2,600,540	735,535	4,393,086	**13,790,499**	14,327,950
Willow Park	9,916,159	4,384,169	1,026,742	5,644,626	**20,971,696**	19,786,899
Warehouse	25,454,149	14,172,164	1,609,699	-	**41,236,013**	41,864,224
Retail Beer	-	-	-	68,955,719	**68,955,719**	68,314,160
Calmar	512,638	81,280	38,425	229,640	**861,983**	877,561
Camrose	3,308,614	561,567	236,239	1,589,270	**5,695,690**	5,563,430
Canmore	1,298,214	607,219	130,325	893,030	**2,928,788**	2,891,225
Carbon	96,479	10,045	27,910	53,910	**188,344**	166,438
Caroline	339,615	30,276	28,345	210,570	**608,805**	602,719
Carstairs	459,052	56,551	27,894	223,908	**767,404**	704,932
Castor	431,176	54,725	28,669	203,408	**717,978**	708,903
Claresholm	953,561	132,411	147,617	322,077	**1,555,666**	1,498,576
Coaldale	594,826	116,855	139,823	289,722	**1,141,225**	1,169,174
Cochrane	1,247,661	404,117	137,358	764,162	**2,553,297**	2,530,507
Cold Lake	370,359	98,177	22,117	242,352	**733,006**	811,691
Coleman	283,798	35,191	16,693	138,022	**473,703**	479,047
Consort	537,869	45,962	59,019	182,960	**825,810**	809,172
Coronation	512,567	52,090	35,848	225,212	**825,718**	830,287
Crossfield	317,154	46,768	34,704	146,372	**544,997**	538,166
Daysland	389,936	37,844	16,789	180,710	**625,278**	631,315
Delburne	241,023	25,834	33,614	102,898	**403,369**	409,731
Derwent	104,306	7,115	3,552	48,899	**163,871**	175,287
Devon	880,072	214,719	102,918	443,923	**1,641,632**	1,578,292
Didsbury	577,191	94,687	80,198	309,807	**1,061,883**	1,062,867
Drayton Valley	2,527,779	356,524	151,798	1,225,247	**4,261,347**	4,207,213
Drumheller	2,172,673	365,939	381,665	994,573	**3,914,848**	3,920,631
Eckville	540,626	63,770	43,823	239,715	**887,934**	878,066
Edgerton	192,455	21,678	24,842	124,562	**363,537**	388,640

Schedule of Sales by Stores (continued)

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1989**	Total Sales 1988
Edmonton						
Athlone	2,339,894	465,343	227,236	1,482,632	**4,515,105**	4,598,507
Beaver House (closed 10/88)	-	-	-	-	**-**	1,325,223
Beverly	4,672,094	953,718	313,813	2,508,729	**8,448,354**	9,175,695
Bonnie Doon	2,337,658	708,385	174,746	1,200,507	**4,421,297**	4,657,606
Callingwood	2,354,951	1,124,057	230,546	1,374,728	**5,084,282**	5,039,152
Capilano	6,966,081	1,951,172	418,566	2,842,681	**12,178,500**	13,356,716
Castle Downs	2,100,226	663,215	205,994	1,309,625	**4,279,060**	4,338,440
Centennial	1,945,534	421,783	182,146	1,079,057	**3,628,521**	3,811,449
Centre	2,150,191	764,367	84,962	404,325	**3,403,845**	1,407,434
Clareview	1,709,199	442,206	177,430	1,176,832	**3,505,667**	3,575,324
East	2,460,984	604,454	174,666	1,970,524	**5,210,628**	5,389,625
Garneau (opened 07/89)	363,705	228,526	31,155	209,126	**832,511**	-
Heritage (opened 04/89)	2,244,832	1,008,165	187,678	1,273,046	**4,713,721**	-
Jasper Place	2,600,167	815,549	189,861	1,497,170	**5,102,747**	5,271,425
Londonnery	4,754,118	1,123,186	394,934	2,928,541	**9,200,779**	9,162,644
McCauley Plaza (closed 8/88)	-	-	-	-	**-**	908,649
Meadlowlark	2,590,626	864,554	213,722	1,314,504	**4,983,406**	5,061,590
Millbourne	4,706,789	1,352,300	395,025	2,652,053	**9,106,167**	7,788,055
96 Street	1,790,628	547,775	76,446	1,358,800	**3,773,650**	3,882,829
Northgate	7,311,157	1,879,996	551,047	4,170,273	**13,912,473**	14,409,581
106 Street	5,146,057	2,992,436	375,732	2,787,692	**11,301,916**	10,519,383
123 Street	2,000,707	748,814	149,876	881,212	**3,780,609**	4,025,900
Southgate	6,955,269	3,107,612	479,494	3,256,739	**13,799,114**	17,053,666
Southpark	2,162,064	749,826	171,382	973,578	**4,056,850**	5,431,896
Strathcona	3,594,715	1,608,737	353,725	2,242,130	**7,799,307**	8,694,456
Summerlea	4,801,239	1,687,627	434,546	2,920,772	**9,844,184**	10,596,747
West Edmonton Mall	995,459	429,642	46,688	181,559	**1,653,348**	95,401
Westmount	5,852,947	1,883,310	418,593	3,021,616	**11,176,466**	11,801,126
Retail Beer	-	-	-	107,722,730	**107,722,730**	98,216,069
Edson	2,281,779	430,162	155,827	1,239,362	**4,107,130**	4,122,802
Elk Point	575,203	79,513	19,094	291,578	**965,389**	1,024,481
Empress	161,166	12,444	7,943	70,782	**252,336**	245,528
Evansburg	562,653	76,522	60,610	263,813	**963,597**	955,851
Fairview	992,409	149,027	28,513	481,062	**1,651,011**	1,593,710
Falher	591,074	95,086	108,167	426,687	**1,221,013**	1,185,273
Foremost	229,979	31,450	38,762	93,607	**393,797**	395,216
Forestburg	391,952	46,153	31,970	169,134	**639,209**	601,594
Fort Macleod	904,868	376,339	235,783	476,801	**1,993,790**	2,017,928

Schedule of Sales by Stores for the year ended January 2, 1990

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1989**	Total Sales 1988
Fort McMurray						
Main	4,992,883	1,089,465	271,466	3,755,419	**10,109,232**	10,282,518
Thickwood	1,331,615	452,585	89,639	1,205,946	**3,079,785**	3,135,936
Fort Saskatchewan	2,268,728	526,733	191,962	1,091,343	**4,078,766**	3,897,230
Fort Vermilion	584,829	43,763	13,622	275,768	**917,981**	872,413
Fox Creek	504,717	70,343	57,829	281,399	**914,288**	978,533
Gibbons	676,579	115,280	90,647	391,667	**1,274,173**	1,211,577
Glendon	329,092	35,181	6,597	206,271	**577,140**	564,206
Grand Centre	1,867,313	672,311	208,116	1,244,236	**3,991,976**	4,091,149
Grande Cache	612,449	157,411	32,177	444,671	**1,246,708**	1,175,274
Grande Prairie	6,673,526	1,327,321	428,148	3,673,987	**12,102,982**	11,728,368
Grimshaw	815,521	102,181	33,754	392,372	**1,343,828**	1,330,886
Hanna	1,179,753	130,251	79,815	535,029	**1,924,847**	1,757,669
Hardisty	400,909	38,323	31,678	196,492	**667,402**	649,926
High Level	1,466,464	191,368	59,338	644,391	**2,361,561**	2,396,029
High Prairie	1,420,129	249,821	59,979	910,002	**2,639,930**	2,568,423
High River	1,329,272	267,148	190,999	544,730	**2,332,150**	2,170,127
Hines Creek	337,396	31,822	2,323	190,097	**561,637**	520,209
Hinton	2,097,434	486,241	121,342	1,375,528	**4,080,545**	3,700,297
Holden	264,958	27,129	7,138	127,338	**426,564**	440,342
Hythe	225,350	33,472	7,664	150,837	**417,324**	442,037
Innisfail	1,586,861	255,083	235,291	643,392	**2,720,626**	2,556,360
Jasper	1,910,458	1,057,286	148,259	1,070,772	**4,186,775**	3,837,638
Killam	602,086	65,245	56,636	211,386	**935,354**	941,004
LacLa Biche	1,311,921	252,719	38,526	761,837	**2,365,003**	2,313,123
Lacombe	1,372,559	250,657	149,190	572,458	**2,344,864**	2,327,189
Lake Louise	735,102	524,910	115,165	468,193	**1,843,370**	1,578,495
Lamont	524,979	56,545	23,665	215,949	**821,138**	842,583
Leduc	3,602,934	694,678	206,471	1,376,575	**5,880,658**	6,182,476
Legal	264,855	35,779	33,879	157,142	**491,655**	489,099
Lethbridge						
Magrath	1,890,174	485,970	243,382	826,001	**3,445,527**	3,430,771
North	4,042,053	965,856	353,101	723,172	**6,084,182**	6,143,132
South	4,708,928	1,458,109	565,097	2,362,130	**9,094,264**	8,925,191
Retail Beer	-	-	-	11,388,963	**11,388,963**	11,699,212
Lloydminster	4,073,167	654,663	343,006	1,853,288	**6,924,123**	7,234,745
Manning	590,723	54,632	35,467	292,826	**973,648**	953,584
Mannville	371,599	30,685	20,670	169,462	**592,416**	625,447

Schedule of Sales by Stores (continued)

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1989**	Total Sales 1988
Marwayne	297,619	39,782	40,666	150,496	**528,564**	570,198
Mayerthorpe	801,113	97,902	73,474	351,055	**1,323,544**	1,306,849
McLennan	180,679	41,196	11,050	168,995	**401,920**	409,957
Medicine Hat						
Main	6,314,201	1,057,703	515,127	2,142,125	**10,029,157**	10,209,846
Southview	2,725,773	391,504	292,345	1,020,226	**4,429,847**	4,498,801
Retail Beer	-	-	-	5,721,988	**5,721,988**	5,849,741
Milk River	334,080	49,318	140,816	94,122	**618,336**	600,726
Millet	338,187	52,835	21,580	199,330	**611,932**	575,563
Morinville	816,927	162,993	99,270	488,310	**1,567,501**	1,531,179
Mundare	359,880	25,921	12,878	121,658	**520,336**	517,754
Myrnam	189,691	12,949	12,028	65,293	**279,961**	284,599
Nanton	574,581	63,170	120,325	176,037	**934,112**	927,634
Okotoks	1,289,004	361,608	203,477	707,101	**2,561,190**	2,406,807
Olds	1,680,200	304,233	162,073	659,833	**2,806,338**	2,750,232
Onoway	700,279	119,600	50,598	442,542	**1,313,018**	1,295,434
Oyen	622,100	73,616	37,015	277,513	**1,010,244**	1,004,622
Peace River	2,330,013	443,427	195,137	1,127,145	**4,095,723**	3,572,594
Picture Butte	459,530	78,021	65,013	228,605	**831,170**	828,271
Pincher Creek	1,362,231	354,356	175,769	706,299	**2,598,654**	2,459,105
Ponoka	1,676,896	355,863	155,669	730,234	**2,918,663**	2,920,482
Provost	1,108,007	105,496	108,212	422,193	**1,743,907**	1,711,071
Rainbow Lake	429,643	36,017	12,286	143,383	**621,328**	620,839
Red Deer						
Centre	2,126,263	464,674	190,713	963,357	**3,745,007**	3,666,008
North	2,833,038	597,721	361,539	1,399,448	**5,191,746**	4,866,754
South	8,282,442	1,780,396	567,532	2,373,243	**13,003,613**	12,856,174
Retail Beer	-	-	-	13,891,942	**13,891,942**	13,538,851
Redcliff	544,838	75,112	73,248	316,363	**1,009,561**	1,017,096
Redwater	600,813	77,848	60,223	252,106	**990,991**	1,003,837
Rimbey	861,994	122,303	91,727	414,037	**1,490,062**	1,471,868
Rocky Mountain House	2,433,825	410,676	228,003	1,124,809	**4,197,312**	4,137,022
Sexsmith	350,698	38,632	18,505	170,576	**578,411**	583,112
Sherwood Park	6,333,606	1,690,975	525,277	3,061,993	**11,611,851**	11,624,011
Slave Lake	2,012,837	287,059	93,866	1,152,841	**3,546,604**	3,677,018
Smoky Lake	728,583	66,365	28,002	299,341	**1,122,290**	1,110,599
Spirit River	798,832	98,921	37,395	348,172	**1,283,321**	1,319,072
Spruce Grove	3,189,385	760,066	313,710	1,577,255	**5,840,415**	5,769,544

Schedule of Sales by Stores for the year ended January 2, 1990

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1989**	Total Sales 1988
St. Albert						
Grandin	1,955,359	627,082	157,831	970,541	**3,710,812**	3,683,628
North	4,323,969	1,478,828	461,608	2,280,719	**8,545,124**	8,444,912
Warehouse	20,886,311	13,682,781	3,081,304	2,117	**37,652,513**	34,799,609
St. Paul	1,970,890	343,075	61,665	920,876	**3,296,506**	3,223,461
Standard	119,219	16,169	13,583	90,695	**239,666**	226,500
Stettler	1,985,560	248,202	145,058	615,748	**2,994,568**	3,008,281
Stony Plain	1,741,745	342,387	148,474	863,806	**3,096,412**	3,047,050
Strathmore	1,178,759	223,575	173,141	677,428	**2,252,903**	2,173,097
Suffield	40,094	17,643	4,185	82,099	**144,020**	153,527
Sundre	966,006	141,455	82,603	468,451	**1,658,515**	1,584,391
Swan Hills	553,030	66,552	50,455	255,305	**925,341**	899,313
Sylvan Lake	1,113,064	217,988	188,379	633,753	**2,153,184**	2,152,136
Taber	1,357,212	197,948	245,139	587,600	**2,387,899**	2,357,958
Thorhild	482,042	45,534	25,307	185,673	**738,556**	740,494
Thorsby	525,155	68,013	23,071	217,354	**833,594**	847,577
Three Hills	325,224	49,946	29,487	142,037	**546,694**	545,855
Tofield	495,535	77,154	61,646	258,843	**893,177**	898,078
Trochu	487,042	55,051	66,571	256,986	**865,649**	825,024
Turner Valley	792,607	131,983	64,558	401,635	**1,390,784**	1,393,664
Two Hills	599,922	51,450	14,171	199,899	**865,442**	853,398
Valleyview	934,782	248,935	41,735	521,874	**1,747,326**	1,738,999
Vauxhall	367,345	33,418	97,999	146,802	**645,563**	682,482
Vegreville	1,878,064	225,000	47,833	682,989	**2,833,886**	2,854,356
Vermilion	1,414,762	194,377	64,295	605,844	**2,279,278**	2,245,671
Viking	457,034	52,178	11,705	216,204	**737,122**	695,644
Vilna	395,493	57,181	14,964	179,410	**647,047**	659,471
Vulcan	717,100	81,374	96,045	229,916	**1,124,435**	1,163,370
Wabamun	311,701	82,223	35,157	265,562	**694,644**	717,298
Wainwright	1,688,392	271,932	82,105	940,716	**2,983,144**	2,726,734
Whitecourt	2,074,491	367,129	166,954	969,525	**3,578,099**	3,450,523
Warburg	222,582	25,969	12,785	94,999	**356,335**	343,619
Waterton Park	135,947	82,830	22,039	94,244	**335,060**	348,979
Wembley	181,973	30,952	13,533	125,683	**352,141**	337,721
Westlock	1,895,749	314,450	90,535	869,663	**3,170,396**	3,103,124
Wetaskiwin	3,090,512	774,636	232,711	1,732,809	**5,830,668**	5,673,160
Wildwood	240,335	32,329	11,527	126,028	**410,220**	421,803
Willingdon	248,492	20,402	8,393	85,898	**363,185**	341,933
Totals	$420,468,649	$133,657,793	$39,107,299	$410,202,682	**$1,003,436,423**	$985,895,681

TOTAL SALES DOES NOT INCLUDE COLD BEER VENDOR DISCOUNTS. COLUMNS MAY NOT ADD DUE TO ROUNDING.

Statement of Sales by Customer Category

CUSTOMER	1989	1988
Public	**$ 686,670,544**	$686,856,425
Licensee	**306,532,989**	290,876,150
Wine Boutiques	**8,184,697**	7,159,064
Duty Free (1)	**1,090,061**	895,558
Diplomatic (2)	**53,167**	64,497
N.A.T.O. (3)	**46,789**	43,987
Total	**$1,002,578,247**	$985,895,681

(1) Duty Free - Sales made to Duty Free Shops.
(2) Diplomatic - Sales to foreign embassies and consulates.
(3) N.A.T.O. - Sales to N.A.T.O. officers and visiting armed forces personnel training in Canada.

Statement of Sales to Licensees ($000'S)

	1989				1988
Licensee	Spirits	Wine	Beer	**Total**	Total
Dining Lounges	$48,941	$21,375	$67,171	$137,487	$130,608
Beverage Rooms	19,502	1,864	93,330	114,696	116,117
Clubs	7,556	2,319	15,522	25,397	24,838
Cold Beer Vendors			9,316	9,316	0
Recreational Facilities	920	482	3,260	4,662	4,448
Canteens	763	259	3,033	4,055	3,377
Dining Lounges (Restricted)	209	1,120	2,488	3,817	3,987
Institutions	478	340	1,817	2,635	2,575
Sports Stadiums	2	38	1,472	1,512	1,612
Commercial Passenger Airplanes	1,025	159	256	1,440	1,562
Special Events	10	69	612	691	875
Racetracks	7	11	389	407	466
Theatres	120	90	107	317	316
Travellers Lounges	64	19	15	98	78
Passenger Trains			3	3	17
TOTAL	$79,597	$28,145	$198,791	$306,533	$290,876

Gross Profit Statement by Product Type - Summary Dollars - ($000's)

	DOMESTIC		IMPORT		TOTAL		%	
SALES	1989	1988	1989	1988	1989	1988	1989	1988
SPIRITS	$329,564	$327,068	$88,613	$83,497	$418,177	$410,565	42.0%	41.9%
WINE	55,296	60,232	74,615	73,406	129,911	133,638	13.0%	13.7%
BEER	409,345	400,064	39,150	34,599	448,495	434,663	45.0%	44.4%
Total Sales	$794,205	$787,364	$202,378	$191,502	$996,583	$978,866	100.0%	100.0%
COST OF GOODS								
SPIRITS	$143,844	$143,610	$37,434	$35,112	$181,278	$178,722	34.0%	34.0%
WINE	31,510	34,466	35,248	34,266	66,758	68,732	12.5%	13.1%
BEER	265,538	260,332	19,119	17,981	284,657	278,313	53.4%	52.9%
Total Cost	$440,892	$438,408	$91,801	$87,359	$532,693	$525,767	100.0%	100.0%
GROSS PROFIT								
SPIRITS	$185,720	$183,458	$51,179	$48,385	$236,899	$231,843	51.1%	51.2%
WINE	23,786	25,766	39,367	39,140	63,153	64,906	13.6%	14.3%
BEER	143,807	139,732	20,031	16,618	163,838	156,350	35.3%	34.5%
Total G.P.	$353,313	$348,956	$110,577	$104,143	$463,890	$453,099	100.0%	100.0%
VOLUME-Hectolitres								
SPIRITS	152,753	159,937	36,004	34,506	188,757	194,443	8.9%	9.1%
WINE	107,289	119,702	93,515	90,319	200,804	210,021	9.5%	9.8%
BEER	1,560,435	1,575,809	167,942	154,471	1,728,377	1,730,280	81.6%	81.1%
Total Volume	1,820,477	1,855,448	297,461	279,296	2,117,938	2,134,744	100.0%	100.0%

These totals do not include special orders, returns, stock shortages or duty free sales, and are net of deposits excluding domestic beer. Cost of goods sold are separated into domestic and import based on an individual category weighted average calculation of sales dollar percentage and sales volume percentage.

Gross Profit Statement by Product Type - Beer

Dollars - ($000's)

	DOMESTIC		IMPORT		TOTAL		%	
SALES	1989	1988	1989	1988	1989	1988	1989	1988
STANDARD	$282,772	$359,041	$38,008	$33,582	$320,780	$392,623	71.5%	90.3%
LIGHT	68,466		82	83	68,548	83	15.3%	0.0%
LOW MALT	13,886		5	3	13,891	3	3.1%	0.0%
DRAUGHT	44,221	41,023	1,055	931	45,276	41,954	10.1%	9.7%
Total Sales	$409,345	$400,064	$39,150	$34,599	$448,495	$434,663	100.0%	100.0%
COST OF GOODS								
STANDARD	$176,850	$233,778	$18,438	$17,393	$195,288	$251,171	68.6%	90.2%
LIGHT	43,533		43	45	43,576	45	15.3%	0.0%
LOW MALT	8,497		3	2	8,500	2	3.0%	0.0%
DRAUGHT	36,658	26,554	635	541	37,293	27,095	13.1%	9.7%
Total Cost	$265,538	$260,332	$19,119	$17,981	$284,657	$278,313	100.0%	100.0%
GROSS PROFIT								
STANDARD	$105,922	$125,263	$19,570	$16,189	$125,492	$141,452	76.6%	90.5%
LIGHT	24,933		39	38	24,972	38	15.2%	0.0%
LOW MALT	5,389		2	1	5,391	1	3.3%	0.0%
DRAUGHT	7,563	14,469	420	390	7,983	14,859	4.9%	9.5%
Total G.P.	$143,807	$139,732	$20,031	$16,618	$163,838	$156,350	100.0%	100.0%
VOLUME-Hectolitres								
STANDARD	1,000,577	1,312,869	163,476	150,463	1,164,053	1,463,332	67.3%	84.6%
LIGHT	250,651		242	281	250,893	281	14.5%	0.0%
LOW MALT	46,936		20	12	46,956	12	2.7%	0.0%
DRAUGHT	262,271	262,940	4,204	3,715	266,475	266,655	15.4%	15.4%
Total Volume	1,560,435	1,575,809	167,942	154,471	1,728,377	1,730,280	100.0%	100.0%

These totals do not include special orders, returns, stock shortages or duty free sales. Domestic beer cost of goods sold was calculated using a weighted average of sales dollar percentages and sales volume percentages. Domestic standard beer included light and low malt categories in 1988, as breakdown of these categories was not available.

Gross Profit Statement by Product Type - Spirits Dollars - ($000's)

	DOMESTIC		IMPORT		TOTAL		%	
SALES	1989	1988	1989	1988	1989	1988	1989	1988
WHISKEY	$160,425	$161,428	$34,382	$33,443	$194,807	$194,871	46.6%	47.5%
GIN	8,093	9,085	3,219	3,002	11,312	12,087	2.7%	2.9%
LIQUEURS	16,293	18,520	34,766	32,753	51,059	51,273	12.2%	12.5%
RUM	66,559	63,894	4,588	4,210	71,147	68,104	17.0%	16.6%
VODKA	75,784	71,867	6,252	5,011	82,036	76,878	19.6%	18.7%
OTHERS	2,410	2,274	5,406	5,078	7,816	7,352	1.9%	1.8%
Total Sales	$329,564	$327,068	$88,613	$83,497	$418,177	$410,565	100.0%	100.0%
COST OF GOODS								
WHISKEY	$70,487	$70,812	$14,106	$13,810	$84,593	$84,622	46.7%	47.3%
GIN	3,501	3,990	1,353	1,265	4,854	5,255	2.7%	2.9%
LIQUEURS	7,880	9,066	15,059	13,923	22,939	22,989	12.7%	12.9%
RUM	28,844	27,766	1,949	1,771	30,793	29,537	17.0%	16.5%
VODKA	32,109	30,992	2,671	2,177	34,780	33,169	19.2%	18.6%
OTHERS	1,023	984	2,296	2,166	3,319	3,150	1.8%	1.8%
Total Cost	$143,844	$143,610	$37,434	$35,112	$181,278	$178,722	100.0%	100.0%
GROSS PROFIT								
WHISKEY	$89,938	$90,616	$20,276	$19,633	$110,214	$110,249	46.5%	47.6%
GIN	4,592	5,095	1,866	1,737	6,456	6,832	2.7%	2.9%
LIQUEURS	8,413	9,454	19,707	18,830	28,120	28,284	11.9%	12.2%
RUM	37,715	36,128	2,639	2,439	40,354	38,567	17.0%	16.6%
VODKA	43,675	40,875	3,581	2,834	47,256	43,709	19.9%	18.9%
OTHERS	1,387	1,290	3,110	2,912	4,497	4,202	1.9%	1.8%
Total G.P.	$185,720	$183,458	$51,179	$48,385	$236,899	$231,843	100.0%	100.0%
VOLUME-Hectolitres								
WHISKEY	73,027	77,582	13,601	13,691	86,628	91,273	45.9%	46.9%
GIN	3,742	4,471	1,405	1,360	5,147	5,831	2.7%	3.0%
LIQUEURS	7,680	9,337	13,195	12,504	20,875	21,841	11.1%	11.2%
RUM	30,587	30,947	2,026	1,910	32,613	32,857	17.3%	16.9%
VODKA	36,507	36,406	3,061	2,576	39,568	38,982	21.0%	20.0%
OTHERS	1,210	1,194	2,716	2,465	3,926	3,659	2.1%	1.9%
Total Volume	152,753	159,937	36,004	34,506	188,757	194,443	100.0%	100.0%

These totals do not include special orders, returns, stock shortages or duty free sales, and are net of deposits. Cost of goods sold are separated into domestic and import based on a weighted average calculation of sales dollar percentage and sales volume percentage.

Gross Profit Statement by Product Type - Wine Dollars - ($000's)

	DOMESTIC		IMPORT		TOTAL		%	
SALES	1989	1988	1989	1988	1989	1988	1989	1988
DESSERT	$4,824	$4,835	$2,589	$2,569	$7,413	$7,404	5.7%	5.5%
TABLE	26,858	29,276	60,293	59,209	87,151	88,485	67.1%	66.2%
SPARKLING	5,218	5,894	4,281	4,481	9,499	10,375	7.3%	7.8%
CHAMPAGNE	980	1,196	3,286	2,986	4,266	4,182	3.3%	3.1%
OTHERS	206	194	2,990	2,919	3,196	3,113	2.5%	2.3%
CIDERS/COOLERS	17,210	18,837	1,176	1,242	18,386	20,079	14.2%	15.0%
Total Sales	$55,296	$60,232	$74,615	$73,406	$129,911	$133,638	100.0%	100.0%
COST OF GOODS								
DESSERT	$2,195	$2,166	$893	$898	$3,088	$3,064	4.6%	9.4%
TABLE	15,458	17,002	28,886	28,041	44,344	45,043	66.4%	70.5%
SPARKLING	3,062	3,432	1,812	1,889	4,874	5,321	7.3%	12.7%
CHAMPAGNE	708	863	1,588	1,356	2,296	2,219	3.4%	8.2%
OTHERS	107	100	1,314	1,305	1,421	1,405	2.1%	7.0%
CIDERS/COOLERS	9,980	10,903	755	777	10,735	11,680	16.1%	21.9%
Total Cost	$31,510	$34,466	$35,248	$34,266	$66,758	$68,732	100.0%	105.0%
GROSS PROFIT								
DESSERT	$2,629	$2,669	$1,696	$1,671	$4,325	$4,340	6.8%	6.7%
TABLE	11,400	12,274	31,407	31,168	42,807	43,442	67.8%	66.9%
SPARKLING	2,156	2,462	2,469	2,592	4,625	5,054	7.3%	7.8%
CHAMPAGNE	272	333	1,698	1,630	1,970	1,963	3.1%	3.0%
OTHERS	99	94	1,676	1,614	1,775	1,708	2.8%	2.6%
CIDERS/COOLERS	7,230	7,934	421	465	7,651	8,399	12.1%	12.9%
Total G.P.	$23,786	$25,766	$39,367	$39,140	$63,153	$64,906	100.0%	100.0%
VOLUME-Hectolitres								
DESSERT	6,478	6,285	1,924	1,974	8,402	8,259	4.2%	3.9%
TABLE	50,631	56,086	79,532	76,170	130,163	132,256	64.8%	63.0%
SPARKLING	9,312	10,450	3,858	4,027	13,170	14,477	6.6%	6.9%
CHAMPAGNE	920	1,155	1,455	1,192	2,375	2,347	1.2%	1.1%
OTHERS	325	302	3,456	3,477	3,781	3,779	1.9%	1.8%
CIDERS/COOLERS	39,623	45,424	3,290	3,479	42,913	48,903	21.4%	23.3%
Total Volume	107,289	119,702	93,515	90,319	200,804	210,021	100.0%	100.0%

These totals do not include special orders, returns, stock shortages or duty free sales, and are net of deposits.Cost of goods sold are separated into domestic and import based on a weighted average calculation of sales dollar percentage and sales volume percentage.

Gross Profit Statement by Product Type - Special Order Sales ($000's)

	DOMESTIC		IMPORT		TOTAL		% TOTAL SALES	
SPIRITS	1989	1988	1989	1988	1989	1988	%	%
WHISKEY	$10	$214	$70	$69	$80	$283	1.3%	4.1%
BRANDY	2	2	33	84	35	86	0.6%	1.3%
GIN	2	1	1	29	3	30	0.0%	0.4%
LIQUEURS	20	334	129	130	149	464	2.5%	6.7%
RUM	45	11	2	2	47	13	0.8%	0.2%
VODKA	104	78	2	1	106	79	1.8%	1.1%
OTHERS	409	38	11	127	420	165	6.9%	2.4%
Total Spirits	592	678	248	442	840	1,120	13.9%	16.3%
WINES								
APPETIZER		2		1		3		
DESSERT	6	4	97	111	103	115	1.7%	1.7%
TABLE	214	167	4,435	4,660	4,649	4,827	76.8%	70.2%
SPARKLING	15	15	168	186	183	201	3.0%	2.9%
Total Wines	235	188	4,700	4,958	4,935	5,146	81.6%	74.8%
BEER								
STANDARD	10	17	265	594	275	611	4.5%	8.9%
Total Special Orders	$837	$883	$5,213	$5,994	$6,050	$6,877	100.0%	100.0%

1. Special orders sales include requests for products that the ALCB does not normally carry in inventory.
2. Volume information is not available for special orders.
3. Special order sales are categorized as follows:

Licensees	$4,125
Individuals	1,925
	$6,050

Comparative Sales Dollars

Comparative Sales Volumes

Schedule of Payments to Governments

	Fiscal 1989	Fiscal 1988
Federal Government		
Receiver General		
Excise, Duty and Federal Sales Tax	$133,995,981	$133,029,483
Provincial Government		
Provincial Treasurer		
Remittances	379,000,000	365,000,000
Municipal Governments		
Property Taxes	2,718,706	2,601,218
Business Taxes	721,957	709,855
	3,440,663	3,311,073
Payments to Governments by ALCB	516,436,644	501,340,556
Alberta Brewers		
Sales & Excise taxes paid directly to the federal government (excluding wineries and distillers)	63,261,242	61,548,329
TOTAL PAYMENTS TO GOVERNMENTS	$579,697,886	$562,888,885

Licenses Issued and Suspended

Manufacturers' Licenses Issued January 1, 1989 - December 31, 1989

License No.	Name	Location
Distillers' Licenses		
1	Alberta Distillers, Limited	Calgary
2	Palliser Distillers Ltd.	Lethbridge
3	Highwood Distillers Ltd.	High River
4	Cambridge Distillers Ltd.	Calgary
Brewers' Licenses		
1	Molson Breweries, (A Partnership) Note: Change in name from Molson Alberta Brewery Ltd. effective August 1, 1989	Edmonton
2	Molson Breweries, (A Partnership) Note: Change in name from Sicks' Lethbridge Brewery Limited effective August 1, 1989	Lethbridge
3	Molson Breweries, (A Partnership) Note: Change in name from Carling O'Keefe Breweries Western Limited effective August 1, 1989	Calgary
4	Labatt Brewing Company Limited	Edmonton
5	Drummond Brewing Company Ltd.	Red Deer
6	Big Rock Brewery Ltd.	Calgary
7	Strathcona Brewing Inc.	Edmonton
8	Calgary Interbrew Ltd. Note: Change in name from Nanton Interbrew Ltd. effective January 16, 1989	Calgary
Wine Manufacturers' Licenses		
1	Andres Wines (Alberta) Ltd.	Calgary
2	Rideout Wines Limited Chateau-Gai Wines Limited	Calgary
3	Andrew Wolf Cellars Ltd.	Stony Plain
4	Anlu Development Corporation Ltd. Lewis Brothers Winery	Grande Prairie
Sacramental Wine Permits		
1	Universal Church Supplies (1988) Ltd.	Edmonton
2	Diocese of St. Paul	St. Paul
3	Universal Church Supplies Ltd.	Calgary

Licenses and Permits Issued Under the Authority of the Liquor Control Act

	In Effect December 31, 1989	In Effect December 31, 1988
Beverage Rooms	590	598
Beer Vendors	503	503
Cold Beer Vendors	10	-
Dining Lounges	2,083	2,009
Dining Lounges (Restricted)	708	694
Lounges	1,066	1,051
Night Clubs	7	6
Clubs - Annual	252	246
- Seasonal	257	250
Canteens	47	46
Recreational Facilities	178	166
Institutions - Post-Secondary	27	24
- Residential Facility	64	62
Theatres	36	32
Travellers Lounges	9	9
Racetracks	9	9
Sports Stadiums	18	18
Commercial Passenger Airplanes	7	9
Passenger Trains	1	1
Water Excursion Crafts	1	1
Brew Pubs	1	1
	5,874	5,735
Breweries	8	8
Distilleries	4	4
Wine Manufacturers	4	4
Sacramental Wine Permits	3	3
Total	5,893	5,754

	Issued 1989	Issued 1988
Special Events Licences	167	176
Permits		
Annual	219	216
Resale	18,339	19,304
Ordinary	23,977	23,615
Display	4	5
Physicians, Druggists, Dentists, etc.	77	49
Industrial	102	81
Hospital	80	64
Total	42,965	43,510

Suspension of License Privileges

Fifty-nine Board hearings were held throughout 1989 in respect of infractions by licensees under the Liquor Control Act and Regulations or failure to comply with the required standards of operations. These hearings resulted in the suspension of 32 licenses and the issuance of 27 warnings.

In addition, 177 letters of warning were issued by the Board to licensed establishments where the infraction did not warrant a hearing.

The majority of those licensees who received licence suspensions had been previously warned in writing as to the improper operations of their premises and had failed to take corrective measures, or they were repeat offenders having a file record of previous hearings before the Board regarding similar infractions of the Act. Service of liquor during prohibited hours, overcrowding, and inadequate food service comprised the most common infractions reviewed at hearings before the Board.

Financial Statements

Auditor's Report

To the Members of the
Alberta Liquor Control Board

I have examined the balance sheet of the Alberta Liquor Control Board as at January 2, 1990 and the statements of income, unremitted income and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at January 2, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Donald D. Salmon

Donald D. Salmon, FCA
Auditor General

Edmonton, Alberta
April 6, 1990

Balance Sheet

As at January 2, 1990

	January 2, 1990	January 3, 1989
Assets		
	($000's)	($000's)
Current Assets		
Cash	$ 15,819	$ 34,200
Accounts Receivable	1,090	1,785
Inventories (Note 3)	66,823	56,027
Prepaid Expenses	2,162	2,439
	85,894	94,451
Fixed Assets (Note 4)	120,900	120,786
Deferred Charges	202	195
	$206,996	$215,432
Liabilities and Appropriation		
Current Liabilities		
Accounts Payable	$ 28,111	$ 40,605
Unremitted Income Payable to Provincial Treasurer	40,885	36,827
	68,996	77,432
Appropriation for Capital (Note 5)	138,000	138,000
	$206,996	$215,432

Approved by Management:

B. King
Acting Chairman and Chief Executive Officer

D. M. Dart, C.A.
Director, Finance

The accompanying notes are part of these financial statements.

Statement of Income

For the year ended January 2, 1990

	Fiscal 1989 ($000's)	Fiscal 1988 ($000's)
Sales		
Beer	$ 448,452	$ 435,273
Spirits	420,468	417,149
Wine	133,658	133,473
	1,002,578	985,895
Cost of Goods Sold		
Beer	284,687	278,553
Spirits	181,638	177,553
Wine	69,702	71,564
	536,027	527,670
Gross Profit on Sales	466,551	458,225
Operating Expenses (Note 6)	82,746	77,580
Net Profit on Sales	383,805	380,645
Other Income, net (Note 7)	1,856	7,943
Environmental Expense, net (Note 8)	(2,603)	(1,362)
Net Income for the Year	$ 383,058	$ 387,226

Statement of Unremitted Income

For the year ended January 2, 1990

	Fiscal 1989 ($000's)	Fiscal 1988 ($000's)
Unremitted Income, beginning of year	$ 36,827	$ 14,601
Net Income for the year	383,058	387,226
	419,885	401,827
Remittances to Provincial Treasurer	379,000	365,000
Unremitted Income, end of year	$ 40,885	$ 36,827

Statement of Changes in Financial Position

For the year ended January 2, 1990

	Fiscal 1989 ($000's)	Fiscal 1988 ($000's)
Cash from Operations		
Net Income	$ 383,058	$ 387,226
Depreciation and amortization	5,710	6,290
Write off of fixed assets	-	12
Gain on disposal of fixed assets, net	(240)	(128)
Net change in non-cash working capital balances	(22,318)	6,741
	366,210	400,141
Remittances to Provincial Treasurer	(379,000)	(365,000)
	(12,790)	35,141
Cash used for Investment		
Increase in deferred charges	(7)	-
Purchase of fixed assets	(5,905)	(7,432)
Proceeds on disposal of fixed assets	321	397
	(5,591)	(7,035)
(Decrease) Increase in Cash, during the year	(18,381)	28,106
Cash, beginning of year	34,200	6,094
Cash, end of year	$ 15,819	$ 34,200

Notes to the Financial Statements

January 2, 1990

Note 1 Authority

The Alberta Liquor Control Board operates under the authority of the Liquor Control Act, Chapter L-17, Revised Statutes of Alberta 1980, as amended.

Note 2 Significant Accounting Policies and Reporting Practices

Fiscal Year
The Liquor Control Act specifies the first Tuesday in each calendar year as the fiscal year end of the Board. Accordingly, the fiscal year 1989 was comprised of 52 weeks ending January 2, 1990, and fiscal year 1988 was comprised of 52 weeks ending January 3, 1989.

Inventories
Inventories are valued at cost which is not in excess of net realizable value. Cost is determined as follows:

Stores and warehouses - Invoiced cost, freight, duties, and taxes
In bond - Invoiced cost and freight
In transit - Invoiced cost
Stock Futures - Invoiced cost

Fixed Assets
Fixed assets are stated at cost less accumulated depreciation and amortization.

Depreciation and amortization are calculated on the straight-line method at annual rates which will reduce the original cost to estimated residual value over the useful life of the asset, as follows:

Buildings:	
Of a Permanent nature	2.5%
Of a Mobile nature	5%
Furniture and equipment:	
Cost $50,000 and greater	10% to 33.3%
Cost less than $50,000	100%
Leasehold Improvements:	2.5% or remainder of lease, whichever is less
Vehicles:	
Gas	20%
Diesel	12.5%

Deferred Charges
Deferred charges represent prepayments which are long-term and are amortized over the life of the agreement.

Note 3 Inventories ($000's)

Location	Spirits & Wine	Beer	January 2, 1990 Total	January 3, 1989 Total
Stores	$27,410	$6,692	$34,102	$29,369
Warehouses				
Duty Paid	4,515	17	4,532	4,285
In Bond	22,388	913	23,301	19,157
In Transit	4,277	154	4,431	2,933
Stock Futures	457	-	457	283
	$59,047	$7,776	$66,823	$56,027

Duties and taxes amounting to approximately $15,454,000 (January 3, 1989 - $12,317,000) will become payable when inventories held in bond are released for sale.

Note 4 Fixed Assets ($000's)

	January 2, 1990			January 3, 1989
	Cost	Accumulated Depreciation and Amortization	Net Book Value	Net Book Value
Land	$23,345	$ -	$23,345	$22,723
Buildings	109,855	20,403	89,452	89,341
Furniture and Equipment	25,859	23,213	2,646	3,424
Leasehold Improvements	7,887	2,846	5,041	5,022
Vehicles	160	117	43	36
Computer Software	640	267	373	240
	$167,746	$46,846	$120,900	$120,786

Depreciation and amortization for the year amounted to $5,710,000 (Fiscal 1988 - $6,290,000).

Note 5 Appropriation for Capital

The Liquor Control Act provides that the Board shall maintain a capital account to provide funds for acquiring land and buildings and maintaining the inventories and other assets necessary to the operations of the Board.

Note 6 Operating Expenses ($000's)

	Fiscal 1989	Fiscal 1988
Salaries & Benefits:		
Union & Excluded salaries	$20,547	$18,878
Management salaries	14,622	13,745
Casual and part-time wages	12,763	10,884
Payroll benefits	5,329	4,946
Other benefits	311	170
	53,572	48,623
Property	12,314	12,027
Depreciation and amortization	5,666	6,243
Stationery and supplies	2,825	2,266
Data Processing	2,422	2,311
Freight	1,274	1,287
Travel and training	784	721
Telephone and communication	757	622
Bank charges	433	354
Contract fees	406	774
Equipment and vehicle	406	387
Other	1,887	1,965
	$82,746	$77,580

Note 7 Other Income, net ($000's)

	Fiscal 1989	Fiscal 1988
Licences and permits:		
Revenue	$1,836	$8,369
Expenditure	3,189	2,907
	(1,353)	5,462
Liquor levies and commissions	1,187	1,562
Gain on disposal of fixed assets, net	240	128
Miscellaneous	1,782	791
	$1,856	$7,943

Note 8 Environmental Expense, net

This expense represents the net cost of administering and refunding deposits on spirits, wine and imported beer containers pursuant to the Beverage Container Act, Chapter B-4, Revised Statutes of Alberta 1980, as amended.

Note 9 Commitments

Capital
The Board has commitments in respect of land purchase agreements and uncompleted building contracts of approximately $1,087,000 (January 3, 1989 - $1,865,000).

Leases
A number of the Board's stores operate under lease arrangements with terms ranging from one to fifty years. Numerous store leases presently being renegotiated have been included using the expected terms of the contract settlements. The Board also leases data processing equipment with terms ranging from one to four years. The approximate aggregate rental under these arrangements is summarized as follows:

	($000's)
Fiscal 1990	$4,821
1991	4,612
1992	3,754
1993	3,377
1994	2,908
Balance to expiry	15,674
	$35,146

Note 10 Comparative Figures

The previous years comparative figures have been reclassified to conform with the basis of presentation adopted for the current year.